

## Message Text

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51

ACTION COME-00

INFO OCT-01 ARA-16 ISO-00 AGR-20 TAR-02 SPC-03 SAM-01

AID-20 EB-11 NSC-10 RSC-01 CIEP-02 TRSE-00 SS-20

STR-08 OMB-01 CEA-02 L-03 H-03 PA-04 PRS-01 USIA-15

INT-08 DRC-01 /153 W

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P 121607Z FEB 74

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC PRIORITY 5327

UNCLAS BUENOS AIRES 1114

E.O. 11652: N/A

TAGS: EIND, ETRD, AR

SUBJ: SHORT SUPPLY PROBLEMS AND ARGENTINE EXPORT CONTROLS

REF: A) STATE 23940, B) BA-0731

1. GOA EXERCISES CONTROLS OVER EXPORTATION OF WIDE RANGE BASIC INDUSTRIAL MATERIALS, PRIMARILY TO COSERVE SHORT SUPPLIES FOR LOCAL UTILIZATION. CONTROLS, IN FORM OF OUTRIGHT SUSPENSION OF ISSUANCE OF PERMITS TO EXPORT CERTAIN PRODUCTS, GREATLY WIDENED AND FORMALIZED BY DECREE 329/74, PUBLISHED FEBRUARY 5, 1974. EXPORTS PERMIT IS NORMALLY A CUSTOMS FORMALITY, MAINLY FOR STATISTICAL PURPOSES. SUSPENSION OF EXPORTS IS JUSTIFIED OFFICIALLY BY NEED TO ASSURE ADEQUATE SUPPLIES OF INPUTS FOR LOCAL INDUSTRY, AND EMBASSY CONSIDERS THIS TO BE INTENT IN FACT. ONE MAJOR CONSEQUENCE OF OFFICIAL DOMESTIC PRICE CEILINGS AND RISING INTERNATIONAL COMMODITY PRICES HAS BEEN GROWING PRESSURE TO DIVERT MATERIALS TOWARD EXPORT MARKET, EXACERBATING SUPPLY PROBLEMS OF LOCAL INDUSTRIAL PLANTS.

2. DECREE 329/74 INCLUDES 102 ITEMS, LISTED ACCORDING TO BRUSSELS TARIFF NOMENCLATURE POSITIONS. ARGENTINA IS NORMALLY A NET IMPORTER OF THESE ITEMS, WHICH EARLIER WERE AFFORDED SUBSIDIZED EXCHANGE RATE TO FACILITATE IMPORTATION AS INPUTS FOR NATIONAL

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INDUSTRY (SEE REFTEL B.) EXPORT BAN THUS AIMS AT AVOIDING SPECULA-

TIVE IMPORT AT LOWER PESO/DOLLAR EXCHANGE RATE FOR PURPOSE OF  
SUBSEQUENT EXPORT AT HIGHER EXCHANGE RATE. COMPLETE LIST WILL  
BE TRANSMITTED BY SEPARATE AIRGRAM. DECREE SPECIFIES SULFUR; NATURAL  
AND SYNTHETIC RUBBER; SEVERAL INORGANIC CHEMICALS, INCLUDING CARBONATE

AND BICARBONATE OF SODA; MANY ORGANIC CHEMICALS, INCLUDING BENZENE,  
PHENO, STYRENE, VARIOUS GLYCOLS, ACRYLIC AND BENZOIC ACID; SEVERAL  
PLASTICS INPUTS, INCLUDING POLYAMIDE RESINS, LOW-DENSITY POLY-  
ETHYLENE, AND POLYVINYL CHLORIDE; SEVERAL TYPES OF LUMBER; BLEACHED,  
LONG-FIBER CHEMICAL WOOD PULP; COATED PRINTING PAPER; LONG-FIBER  
COTTON; IRON AND STEEL SCRAP; UNWORKED STAINLESS STEEL PLATES; NON-  
FERROUS METALS; LEAD ORE; AND ZINC ORE.

3. ABOVE MEASURE NOT APPLICABLE TO SHIPMENT COVERED BY IRREVOCABLE  
LETTERS OF CREDIT IN EFFECT AS OF JANUARY 14, 1974. MINISTRY OF  
ECONOMY AUTHORIZED TO PERMIT EXCEPTION WHEN CONSIDERED JUSTIFIED.

4. EXPORTS OF MOST IRON AND STEEL PRODUCTS ARE SUBJECT TO PRIOR  
APPROVAL BY FABRICACIONES MILITARES, ARMY-RUN STATE INDUSTRIAL  
CONGLOMERATE, AND INDUSTRY SOURCES INDICATE SUCH APPROVAL GENERALLY  
NOT FORTHCOMING AT PRESENT. AGAIN, THIS APPEARS ATTEMPT TO  
CONSERVE SUPPLIES FOR DOMESTIC ARGENTINE PRODUCTION.

5. EXPORT OF CRUDE AND SEMI-PROCESSED CATTLE, SHEEP, AND GOAT HIDES  
PROHIBITED MAY 1972 AND STILL BANNED. INCLUDES SALTED, PICKLED, AND  
WET-BLUE STAGES. PURPOSE ALSO TO CONSERVE SUPPLIES, ENHANCE FOREIGN  
EXCHANGE EARNINGS THROUGH EXPORT OF FULLY-TANNED LEATHER AND LEATHER  
GOODS INSTEAD OF CRUDE HIDES.

6. FORMAL EXPORT PROHIBITION ALSO IN EFFECT FOR COTTON LINTERS,  
SECOND CUT.  
HILL

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
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**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 12 FEB 1974  
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**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974BUENOS01114  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
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**Executive Order:** N/A  
**Errors:** N/A  
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